



# Agricultural Holdings Act 1986

## 1986 CHAPTER 5

### PART II

#### PROVISIONS AFFECTING TENANCY DURING ITS CONTINUANCE

##### *Fixed equipment*

#### **7 The model clauses**

- (1) The Minister may, after consultation with such bodies of persons as appear to him to represent the interests of landlords and tenants of agricultural holdings, make regulations prescribing terms as to the maintenance, repair and insurance of fixed equipment (in this Act referred to as " the model clauses ").
- (2) Regulations under this section may make provision for any matter arising under them to be determined by arbitration under this Act.
- (3) The model clauses shall be deemed to be incorporated in every contract of tenancy of an agricultural holding except in so far as they would impose on one of the parties to an agreement in writing a liability which under the agreement is imposed the other, ..," .."

#### **8 Arbitration where terms of written agreement are inconsistent with the model clauses**

- (1) This section applies where an agreement in writing relating to a tenancy of an agricultural holding effects substantial modifications in the operation of regulations under section 7 above.
- (2) Where this section applies, then, subject to subsection (6) below, the landlord or tenant of the holding may, if he has requested the other to vary the terms of the tenancy as to the maintenance, repair and insurance of fixed equipment so as to bring them into conformity with the model clauses but no agreement has been reached on the request, refer those terms of the tenancy to arbitration under this Act.

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- (3) On any reference under this section the arbitrator shall consider whether (disregarding the rent payable for the holding) the terms referred to arbitration are justifiable having regard to the circumstances of the holding and of the landlord and the tenant, and, if he determines that they are not so justifiable, he may by his award vary them in such manner as appears to him reasonable and just between the landlord and tenant.
- (4) Where it appears to the arbitrator on any reference under this section that by reason of any provision included in his award it is equitable that the rent of the holding should be varied, he may vary the rent accordingly.
- (5) The award of an arbitrator under this section shall have effect as if the terms and provisions specified and made in the award were contained in an agreement in writing entered into by the landlord and the tenant and having effect (by way of variation of the agreement previously in force in respect of the tenancy) as from the making of the award or, if the award so provides, from such later date as may be specified in it.
- (6) Where there has been a reference under this section relating to a tenancy, no further such reference relating to that tenancy shall be made before the expiry of three years from the coming into effect of the award of the arbitrator on the previous reference.

## **9 Transitional arrangements where liability in respect of fixed equipment transferred**

- (1) Where by virtue of section 6, 7 or 8 above the liability for the maintenance or repair of any item of fixed equipment is transferred from the tenant to the landlord, the landlord may within the prescribed period beginning with the date on which the transfer takes effect require that there shall be determined by arbitration under this Act and paid by the tenant the amount of any relevant compensation.
- (2) In subsection (1) above "relevant compensation" means compensation which would have been payable either under subsection (1) of section 71 below or in accordance with subsection (3) of that section, in respect of any previous failure by the tenant to discharge the liability mentioned in subsection (1) above, if the tenant had quitted the holding on the termination of his tenancy at the date on which the transfer takes effect.
- (3) Where by virtue of section 6, 7 or 8 above the liability for the maintenance or repair of any item of fixed equipment is transferred from the landlord to the tenant, any claim by the tenant in respect of any previous failure by the landlord to discharge the said liability shall, if the tenant within the prescribed period beginning with the date on which the transfer takes effect so requires, be determined by arbitration under this Act.
- (4) Where the terms of a tenancy of an agricultural holding as to the maintenance, repair or insurance of fixed equipment (whether established by the operation of regulations under section 7 above or by agreement) are varied by new regulations made under that section, then, if a reference is made under section 6 above within the prescribed period after the coming into operation of the new regulations, the arbitrator shall, for the purposes of subsection (2) of the said section 6, disregard the variation.

## **10 Tenant's right to remove fixtures and buildings**

- (1) Subject to the provisions of this section—
  - (a) any engine, machinery, fencing or other fixture (of what ever description) affixed, whether for the purposes of agriculture or not, to an agricultural holding by the tenant, and

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- (b) any building erected by him on the holding,  
shall be removable by the tenant at any time during the continuance of the tenancy or before the expiry of two months from its termination, and shall remain Ms property so long as he may remove it by virtue of this subsection.
- (2) Subsection (1) above shall not apply—
- (a) to a fixture affixed or a building erected in pursuance of some obligation,
  - (b) to a fixture affixed or a building erected instead of some fixture or building belonging to the landlord,
  - (c) to a building in respect of which the tenant is entitled to compensation under this Act or otherwise, or
  - (d) to a fixture affixed or a building erected before 1st January 1884.
- (3) The right conferred by subsection (1) above shall not be exercisable in relation to a fixture or building unless the tenant—
- (a) has paid all rent owing by him and has performed or satisfied all his other obligations to the landlord in respect of the holding, and
  - (b) has, at least one month before both the exercise of the right and the termination of the tenancy, given to the landlord notice in writing of his intention to remove the fixture or building.
- (4) If, before the expiry of the notice mentioned in subsection (3) above, the landlord gives to the tenant a counter-notice in writing electing to purchase a fixture or building comprised in the notice, subsection (1) above shall cease to apply to that fixture or building, but the landlord shall be liable to pay to the tenant the fair value of that fixture or building to an incoming tenant of the holding.
- (5) In the removal of a fixture or building by virtue of subsection (1) above, the tenant shall not do any avoidable damage to any other building or other part of the holding, and immediately after the removal shall make good all damage so done that is occasioned by the removal.
- (6) Any dispute between the landlord and the tenant with respect to the amount payable by the landlord under subsection (4) above in respect of any fixture or building shall be determined by arbitration under this Act.
- (7) This section shall apply to a fixture or building acquired by a tenant as it applies to a fixture or building affixed or erected by him.
- (8) This section shall not be taken as prejudicing any right to remove a fixture that subsists otherwise than by virtue of this section.

## **11 Provision of fixed equipment necessary to comply with statutory requirements**

- (1) Where, on an application by the tenant of an agricultural holding, the Tribunal are satisfied that it is reasonable, having regard to the tenant's responsibilities to farm the holding in accordance with the rules of good husbandry, that he should carry on on the holding an agricultural activity specified in the application to the extent and in the manner so specified and—
- (a) that, unless fixed equipment is provided on the holding,  
the tenant, in carrying on that activity to that extent and in that manner, will contravene requirements imposed by or under any enactment, or

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- (b) that it is reasonable that the tenant should use, for purposes connected with that activity, fixed equipment already provided on the holding, but that, unless that equipment is altered or repaired, the tenant, in using the equipment for those purposes, will contravene such requirements,
- the Tribunal may direct the landlord to carry out, within a period specified in the direction, such work for the provision or, as the case may be, the alteration or repair of that fixed equipment as will enable the tenant to comply with the said requirements.
- (2) Where it appears to the Tribunal that an agricultural activity specified in the tenant's application has not been carried on on the holding continuously for a period of at least three years immediately preceding the making of the application the Tribunal shall not direct the landlord to carry out work in connection with that activity unless they are satisfied that the starting of the activity did not or, where the activity has not yet been started, will not constitute or form part of a substantial alteration of the type of farming carried on on the holding.
- (3) The Tribunal shall not direct the landlord to carry out work under this section unless they are satisfied—
- (a) that it is reasonable to do so having regard to the landlord's responsibilities to manage the land comprised in the holding in accordance with the rules of good estate management and also to the period for which the holding may be expected to remain a separate holding and to any other material consideration, and
- (b) that the landlord has refused to carry out that work on being requested in writing to do so by the tenant or has not agreed to carry it out within a reasonable time after being so requested.
- (4) The Tribunal shall not direct the landlord to carry out work under this section if he is under a duty to carry out the work in order to comply with a requirement imposed on him by or under any enactment or if provision is made by the contract of tenancy, or by any other agreement between the landlord and the tenant, for the carrying out of work by one of them.
- (5) If the landlord fails to comply with a direction under this section the tenant shall have the same remedies as if the contract of tenancy had contained an undertaking by the landlord to carry out the work required by the direction within the period allowed by the Tribunal.
- (6) Notwithstanding any term in the contract of tenancy restricting the carrying out by the tenant of alterations to the holding, the remedies referred to in subsection (5) above shall include the right of the tenant to carry out the work himself and recover the reasonable cost of the work from the landlord.
- (7) The Tribunal, on an application by the landlord, may extend or further extend the period specified in a direction under this section if it is shown to their satisfaction that the period so specified, or that period as previously extended under this subsection, as the case may be, will not allow sufficient time both for the completion of preliminary arrangements necessary or desirable in connection with the work required by the direction (including, in appropriate cases, the determination of an application by the landlord for a grant out of money provided by Parliament in respect of that work) and for the carrying out of the said work.
- (8) The reference in subsection (6) above to the reasonable cost of work carried out by a tenant shall, where the tenant has received a grant in respect of the work out of money

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provided by Parliament, be construed as a reference to the reasonable cost reduced by the amount of the grant